



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

DR. KENNETH M. STONE, CPA
Internal Audit Executive

June 9, 2011

John Vincenzo, Executive Director
Home Services, Inc.
5019 Northrup
St. Louis, MO 63110

RE: Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) (Project #2011-CDA23)

Dear Mr. Vincenzo:

Enclosed is a report of the fiscal monitoring review of the Home Services, Inc., a not-for-profit organization, CDBG and HOME Programs, for the period January 1, 2010, through December 31, 2010. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Home Services, Inc. Fieldwork was completed on May 10, 2011.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis, Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Respectfully,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIP (HOME)**

**HOME SERVICES, INC.
CONTRACT #10-36-21 AND #10-HM-36-21
CFDA #14.218 AND #14.239**

FISCAL MONITORING REVIEW

JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

PROJECT #2011-CDA23

DATE ISSUED: JUNE 9, 2011

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HOME INVESTMENT PARTNERSHIP (HOME)
HOME SERVICES, INC.
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Home Services, Inc.

Contract Numbers: 10-36-21 and 10-HM-36-21

Contract Period: January 1, 2010 through December 31, 2010

CFDA Numbers: 14.218 and 14.239

Contract Amounts: \$1,361,815 and \$975,037

The contract provided Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds to Home Services, Inc. (Agency) to support its efforts in providing minor residential home repairs, safety and security modifications and energy/weatherization services to elderly and disabled homeowners residing in the City of St. Louis.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2010, through December 31, 2010, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by the Community Development Administration (CDA). Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on May 10, 2011.

Exit Conference

There were no current observations; therefore, an exit conference was not considered necessary.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not comply with federal, state and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2010-CDA31 issued December 3, 2010, noted one observation. The Agency did not meet the contract objectives.

A-133 Status

The Agency expended \$500,000 or more in federal funds in its calendar year ended December 31, 2009; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report was dated July 30, 2010 and rendered unqualified opinions of the financial statements and on compliance for major federal awards. There were no material weaknesses identified on both reports. There were reportable conditions identified on the financial statements and the major federal awards. The finding on the major awards was required to be reported under section 510(a) of OMB Circular A-133 and was on the federal award passed through the City of St. Louis.

The Agency qualified as low-risk auditee.

The report was reviewed by the Internal Audit Section and it was recommended that the report be accepted.

Summary of Current Observations

There were no observations.